



Center for Innovative Food Technology

Producers' Resource Guide



## Connect for success

**T**hink back a few years. Did you and your family take a ride on a weekend in fall in search of that perfect bushel of apples, Indian corn for the door, or pumpkins suitable for carving? Did your family enjoy canning and freezing produce for the coming winter? Items like pickles, peaches, pears, tomato sauce, ketchup, sauerkraut, corn, green beans, and beets? Do you carry on those same family traditions today? Regretfully, people today are so busy in their

daily lives that, more often than not, they buy fast food, takeout dinners or items from the salad bar at the local grocery store. Gone are the days of canning bushels of tomatoes, peaches, and whole crates of corn. Consumers, today, shop for one cucumber, a couple of tomatoes and three ears of corn. While people have changed their eating and cooking habits, not all farmers have changed their growing habits to match.

Here is a prime example: a farmer at market was not moving green peppers,

priced four for one dollar. He decided to change the sign to read “Six green peppers for a dollar,” but complained that he could not move his product and felt he could not give the peppers away. At the next stall, another farmer had a large pile of produce that contained large onions, cucumbers, zucchini,

tomatoes and green peppers. The sign in this stall read “Any four: \$1.” This farmer was doing great business. Why? Because he knew what the customer wanted.

**Ohio is blessed with diverse agriculture.**

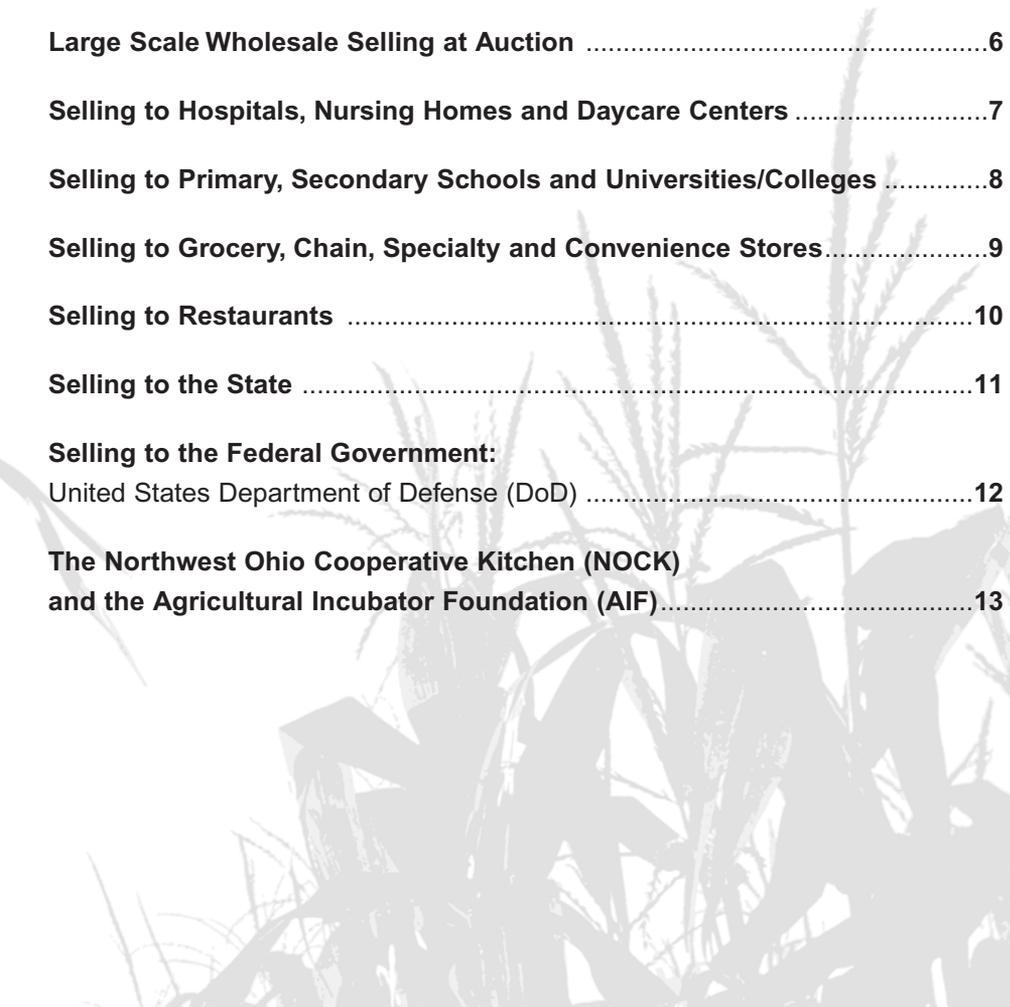
When small-scale farmers are able to sell their products to local stores and institutions, they gain new and reliable markets; Consumers gain access to what is often higher-quality, more healthful food; And more food dollars are invested in the local economy.

This publication provides farmers with recommendations, contact information, Internet resources, programs, and institutions where local farmers can connect for success.



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# Marketing Your Local Fruits and Vegetables

**G**rowing produce has its challenges. Sun, soil, water, pests, weeds and other factors can work against you. When you have fought and won these battles, you must then decide how or where you are going to sell your produce.

Large quantities of produce can be sold wholesale to large produce houses or established farms that feature farmers' markets. Those who have a glut of produce also can sell wholesale to local produce terminals.

## The Process:

- Large produce houses purchase fresh produce throughout the growing season: May through November.
- Get in touch with produce houses and farm markets to learn their process for becoming a supplier. Obtain an application, a list of requirements and the desired sizes and quantities of products that are in demand.
- Match what you grow with what produce houses, farms and markets need.
- Make appointments to meet with managers of large produce stands, produce houses and farmers who operate large stands. Take samples along.
- Complete and return applications. Include pesticide usage certification and produce liability insurance papers.
- If your application is approved, ask about payment terms, packing slips and specific delivery days and times.
- Deliver produce according to stated requirements.

## Benefits:

- Large amounts of fresh produce can be moved at one time.
- Helps establish good business contacts throughout the community.

## Challenges:

- Payment may be on a long billing cycle.
- Best quality produce is expected: Produce must be fresh, clean and uniform in size.
- Local produce houses may tell you they have all the sources they need.
- Terminals may want larger quantities than you are able to supply.
- Terminals conduct most business in the early hours of the morning.
- Local produce houses may have select farmers with whom they already conduct business.

## References:

Al Peak and Sons & Daughter Too  
Sam Okum Produce  
Chariot Produce  
Detroit Produce Terminal  
Cleveland Produce Terminal



# Selling at Farmers' Markets

The United States has witnessed a resurgence of farmers' markets. Americans love the atmosphere and the experiences markets offer, including the personal satisfaction that comes from seeing the local bounty and having impromptu conversations with vendors and shoppers. Many come for the opportunity to feel connected to the farm and connected to their family history. Many become regulars because of those experiences.

When considering the opportunity to sell your produce at a farmers' market, think about the old established market with permanent tables, electricity and parking space as well as those that have temporary space in churches or retail parking lots.

## The Process:

- Visit farmers' markets in your area.
- Look for amenities, such as electricity, tables, parking, restrooms and food vendors.
- Ask the administrative office for a vendor application as well as rules and regulations, including stall fees, waiting lists, the availability of daily versus annual "stallholders," and market days of operation.
- Ask farmers and office staff about customers, traffic flow and peak business hours.
- Determine which market or markets would be a good fit for you. Do your farming practices fit the rules and regulations of those you wish to attend?
- Be certain that you can meet financial, attendance and time commitments.
- Complete applications and include fees, if applicable.

- Plan for market day(s). What to bring: tables, cloths, money box, petty cash, clean produce signs, notepads, aprons, cell phone, and anything else you may need for the day.
- Pick, collect, clean, grade and hydrate all produce going to market.
- Set prices for produce after bunching, bundling items or boxing produce.

## Benefits:

- Farm markets provide exposure to consumers and potential wholesale customers.
- Markets are a typically good retail venue that generate good profit.
- There is healthy competition on quality of goods and prices from other farmers.

## Challenges:

- Price fluctuations can stem from discounting practices by other farmers.
- Reliable staffing can pose an ongoing challenge.
- You may find great markets but not desirable, open spaces from which to sell your products.

## References:

A searchable list of Ohio farm markets can be found by visiting [www.ohioproud.org](http://www.ohioproud.org). Click on "Search," then "Farm Markets."

Also, visit [www.localharvest.org](http://www.localharvest.org) and click on the "Farm Markets" tab to search by county, city or zip code.

# Community Supported Agriculture (CSA)

The Community Supported Agriculture (CSA) marketing concept often depends on and fosters a strong sense of community and cooperation. While the original intent of the CSA was to enlist urban people in support of local agriculture, today landowners start CSAs—often with support from local or regional sustainable agriculture organizations—as an alternative produce-marketing method.

CSAs thrive when small farms provide a diverse array of consumer-ready products to large urban populations in close proximity to the farm. Vegetables, fruits, herbs, meats, honey, milk products and eggs tend to do well in this type of market.

## The Process:

- Understand the production history of the land.
- Forecast how many lots can be maintained for an 18-week period.
- Determine what you will grow for the entire season.
- Meet potential consumers by networking with business owners and community leaders. Offer those you meet a tour of the farm.
- In the same fashion as a subscription service, provide consumers with a weekly supply of local fresh produce. Most CSAs supply a box of produce to customers that is equivalent to a bushel or enough to feed a family of four.
- Customers pay up front for the service, providing you the funds to run the farm.
- Write, print and distribute an informational brochure about your CSA that includes a service application.

- People who join CSAs often frequent health food stores. Ask store owners if you can prominently display your brochures in their businesses. Local libraries are another venue for displaying brochures.
- CSA farms set up distribution day(s) depending on the number of members and specific pickup points. Consider having additional produce to sell to members and potential new members.
- Finally, think about securing space at a weekly farmers' market. CSA members can pick up weekly orders and possibly purchase additional items or shop the market for items to complement their weekly CSA order.

## Benefits:

- Direct contact with the growers provides CSA members with fresh, (sometimes, just harvested) seasonal, local produce.
- The season starts the second or third week in June and continues through the cycle of crops, normally until early November.
- CSAs personalize the business of farming, allowing the consumer to relate to the affects of weather conditions or a late harvest.
- Farmers have funds up front to run the operation and can determine products and forecast how much to produce.

## Challenges:

- Consumers cannot dictate what is in the box.
- CSAs are labor intense.
- Coordinators require a high degree of communication and information-gathering skills.

# Growing Fruits and Vegetables for U-Pick, Special Events, Festivals and Community Events

**F**armers who grow brief-season crops or a significant amount of a single crop have to move large quantities of produce in a matter of days. Many types of berries, apples, tomatoes, peppers, potatoes, sunflowers and Christmas tree crops work well in U-pick, or self harvest situations. Allowing customers to harvest the bounty from these crops reduces manpower costs for the farmer, while attracting prices just below retail and boosting community awareness.

Likewise, communities often have a rich tradition of organizing summer festivals around a local crop, such as Swanton's Corn Festival and Holland's Strawberry Festival in Ohio. Many communities also put on benefits for volunteer fire departments, VFW posts and schools. Organizers of these types of events generally have an immediate need for ripe produce, providing an opportunity for you to move your products quickly.

## The Process:

- Forecast when produce will be ripe.
- Contact local communities to inquire about large sales of produce. Obtain written acceptance from the organization if it expresses interest.



- Advertise U-pick opportunities or that your produce will be featured at the local festival; Send a notice to the local newspapers and distribute signs and flyers to local merchants. Include dates, hours and prices.
- Provide training to staff about produce, the use of scales, and managing crowds. Follow guidelines set by event organizers.
- Make sure you have extra product on hand for impulse buyers.

## Benefits:

- Consumers and the community benefit from brief-season or large crops that have ripened all at once.
- Self-harvesters can pick ripe fields in a matter of hours, which cuts labor costs.
- Long-term, U-pick programs and community involvements yields customer loyalty and valuable word-of-mouth marketing.

## Challenges:

- Fields must be maintained, marked, manned, and insured.
- Poor weather conditions can result in event cancellation, or lack of U-pick customers and product.
- Customers may expect the ability to present checks and credits cards for payment. Event organizers may have extended payment terms.
- Some event committees may request lower selling prices that will limit profits.

# Large Scale Wholesale Selling at Auction

**A**nother way to move large quantities of product is at auction. The Amish-run Blooming Garden Auction in Shiloh, Ohio provides one option. Farmers from all over take produce, plants, firewood, and seasonal items like corn stalks, pumpkins, and canned and baked goods to the auction. Quantities and prices vary, but many find the auction to be a pleasant experience.

## The Process:

- Determine the types and quantities of produce you have to offer.
- Check listing and call for directions, rules and regulations, and an application.
- Take a trip to see how the auction works.
- Set a date that you will attend.
- Clean and pack items.
- Upon arrival, register and unpack items.

## Benefits:

- You can sell virtually any quantity of items: from one large pumpkin to a haywagon full of potted mums.
- During growing season, auction days are Wednesday and Saturday.
- The auction is open to the public as well as farmers, garden centers, grocers and produce houses.

## Challenges:

- Auctions start early and last until everything is sold, sometimes as late as 5 p.m.
- Buyers dictate price.
- A glut of product at the market will mean considerably lower prices in general.
- Service charges equal 10 percent of total sales.
- Payments to sellers are made one week after auction.



# Selling to Hospitals, Nursing Homes and Daycare Centers

Institutions pose an opportunity for farmers to meet the needs associated with healthier eating options. Dietitians and other nutrition-based professionals encourage fresh produce options as part of a daily menu. Fresh local produce can influence the eating habits of those who regularly eat meals at hospitals, nursing homes and daycare centers.

## The Process:

- Institutions typically buy in bulk to cut down on ordering and costs.
- Items are generally bought canned or frozen for long shelf life.
- Attracted to low prices, institutions often turn to large distributors to purchase fresh products, such as salad greens.
- Local produce houses are tapped for fresh, minimally processed products that are available throughout the year.
- To sell to institutions in large cities, produce needs to be sold first to local houses such as Al Peake, Sam Okum, or Chariot, who sell fresh produce and some minimally processed items.
- To sell to institutions in smaller communities, contact purchasing departments and ask if they will consider purchasing from a local grower.
- Investigate the facility prior to contacting them. Determine if they offer a salad bar with fresh items or all canned items. Is fresh produce used to garnish plates?

- If they do carry fresh items, have a list prepared of what you can supply, when, quantities, pricing and delivery options.
- Many institutions will ask for certification for pesticide use and produce liability insurance coverage.
- Contact your insurance agent and local extension agent for more details.

## Benefits:

- Large quantities of local produce are sold to one customer that has the potential to make frequent purchases.

## Challenges:

- Delivery deadlines and produce quantities may present a problem.
- Local produce houses may limit the number of farms with whom they do business.
- Payment occurs after billing (not upon delivery).
- Minimal processing may be required.
- You may have to alter your price to be competitive with large distributors.
- Institutions expect the best value for their dollar: do not compromise orders.

# Selling to Primary, Secondary Schools and Universities/Colleges

Local fresh produce and other wholesome alternatives to high fat menus can play an important role in the health of young people attending schools in our state. Schools and universities will buy local fresh fruits and salad vegetables when available.

## The Process:

- Determine the produce items and quantities you have to sell to the schools in your area. Put together a price list, photos and samples, if possible.
- Contact the local school system to find out who plans the yearly school lunch menus.
- Ask if there is money in the budget to buy produce at a fair price from local farms.
- Make an appointment to discuss if what you grow is appropriate for the school salad bar or steam table.
- Complete necessary documents to be able to sell to the school system, including liability insurance and pesticide use certification.
- If the school will only buy from specific groups, ask for a listing. You can either take your produce to one of the listed establishments, or you may try to gather your fellow farmers into a co-op to sell to the school system.
- Ask if you can establish a contract that works around your growing season.

## Benefits:

- School administrators gain satisfaction from knowing students and faculty are benefiting from locally grown produce.
- Farmers may find a local steady source of income.
- Some colleges have gone as far as buying local produce, establishing a college garden, and incorporating agriculture-based classes into the curriculum.

## Challenges:

- State or district committees often plan school system lunch menus.
- Price, delivery, quality and quantity are defined in purchase orders.
- Payment schedules may not be timely.
- The school year does not correspond with the local growing season.
- Cafeteria aides no longer prepare lunches from scratch; Most meals are frozen.
- School kitchens do not have large areas to store fresh produce.
- Local items may need to be minimally processed into single serving packs.
- Many institutions have current contracts with large food service companies.

## References:

Kenyon College, Oberlin College and Ohio University buy local produce for their cafeterias.

# Selling to Grocery, Chain, Specialty and Convenience Stores

While we expect to see locally grown, fresh produce at smaller independently owned stores, you may be surprised that many larger chain stores also carry local produce. Grocers prefer selling local when in season. Likewise, retail customers support buying local when in season.

## The Process:

- Check local grocery, chain, specialty and convenience stores and ask if they carry local produce, especially fruits that can be sold alongside the shipped-in bananas and oranges.
- Contact the store's purchasing department for a supplier application.
- Return completed forms, including pesticide usage certification and liability insurance.
- Provide purchasing department with price list and availability chart.
- Schedule an appointment to get acquainted.
- Take samples with you and talk about your farm, produce and level of quality.
- Ask if the store puts the local farm name on produce signage.
- Discuss contract details. Stick to your agreement.

## Benefits:

- A variety of stores can take a range of produce: from bins to baskets.
- Farms can benefit from the standing sales orders throughout the growing season.



- Prices will be fixed to ensure a better budget.
- Consumers will know the produce is local, which enhances recognition for your farm.
- Better inventory control is obtained by knowing what is already sold before market day.

## Challenges:

- Securing competitive pricing is a challenge at the beginning and end of the season.
- Delivery schedules must be kept.
- Payment schedules may not be timely.
- Stores demand best quality.
- Shipments should be of uniform size unless noted differently on the contract.

## References:

Claudia's Health Food Co-op  
Phoenix Earth Food Co-op  
Bassets Health Food Store

# Selling to Restaurants

Independent restaurant owners and chefs recognize the value local produce can bring to their specialty dishes. While chefs would love the opportunity to work with locally grown produce, many do not know how to buy from local farmers.

## The Process:

- Do some research; Look for local restaurant advertisers. Do these restaurants feature a wide variety of specials? Also, most restaurants post their menu outside their establishments, so the public can easily view specials and prices.
- List all of the produce you grow, including unique, heirloom or unusual varieties.
- Set prices: price by piece, box, bushel, etc. Price a variety of ways so that you have a variety of responses to restaurant inquiries.
- Call to set an appointments after lunch and before dinner with prospective restaurants, generally between 2 p.m. and 4 p.m. Ask to schedule 10 minutes with the head chef or owner.
- Bring a price list, photos of produce if not in season, and samples with you. Leave samples for the owner and chef.
- Talk about your farm, demonstrating the benefits of doing business with you.
- Keep your meeting brief. Leave a business card. Send a thank-you note.
- Follow up with your contact by phone after the meeting.

- If the restaurant agrees to order from you, determine quantities per drop, delivery dates and times, delivery frequency, packaging, and whether the produce must be fresh from the field, washed or minimally processed.
- Provide a packing slip with the delivery and keep a duplicate copy on file at the farm.
- Discuss what will happen in the case of crop failure.
- Let the restaurant know when you have new varieties or heavy yields with special prices.

## Benefits:

- Weekly orders help regulate cash flow, inventory and harvest schedules.
- You will have great pride in seeing your produce as a special on the restaurant menu.
- Chefs will spread positive word-of-mouth about the quality of your produce, presenting the possibility of additional orders from other restaurants.

## Challenges:

- It is challenging to keep farm prices competitive against large produce houses that offer good value to customers who sign year-round contracts.
- Quality must be maintained at all times.
- Payment schedules may be a bit irregular.
- Delivery days and times must be maintained even during hectic harvest or market days.
- Kitchens typically have little room, so frequent shipments may be the norm.
- You must be able to handle special or larger orders during peak business cycles.

# Selling to the State

**H**ave you ever thought about getting your fresh produce on the tables of local prisons and other state-run facilities? While state-run facilities tend to favor purchasing frozen or canned products for their longer shelf life, lower prices and the ability to buy in large volume, they will buy local fresh fruits and salad vegetables when available.

## The Process:

- Determine the varieties of produce you will offer for sale.
- Call the State of Ohio purchasing department or market division at 1-800-282-1955 and ask for a vendor application. You may also visit [www.ohioagriculture.gov](http://www.ohioagriculture.gov) for more information.
- When completing your vendor application, include the following attachments:
  - General Aggregate Insurance \$2,000,000
  - Produce Operation Insurance \$2,000,000
  - Per Occurrence Limit Insurance \$1,000,000
  - Fire, Legal and Liability Insurance \$100,000
- Look for bid notices and submit samples if requested. Farmers can bid on shredded cabbage and carrots, slaw mix, carrot sticks, celery sticks, lettuce salad and tossed salad.
- If your bid is accepted, arrange delivery with institutions.

## Benefits:

- You can guarantee an outlet for produce for the life of a contract, which is generally two years.
- You can set the buyer's price.

## Challenges:

- Fresh produce must be delivered year-round.
- Farms must have an alternative plan for crop failure, weather conditions and off-season delivery.
- There is a long list of financial reports to be submitted with an application.
- Most fresh items are minimally processed. Farmers will either need to be able to process these items on their farms or take the produce to a processing plant.
- Payment schedule may not be timely.
- Produce is subject to periodical inspection for quality issues.
- Contracts are given for all institutions in a county or location.



# Selling to the Federal Government:

## United States Department of Defense (DoD)

**S**elling to the federal government opens up opportunities across the entire country and with military bases all over the world. The government purchases vast quantities of products, some through national organizations like Rice Growers. The government also is the largest supplier to the school lunch program and the sole supplier to the monthly surplus supply distribution program to seniors and those on disability.

### The Process:

- Log on to the Department of Defense (DoD) web site at [www.dod.gov/other\\_info/business.html](http://www.dod.gov/other_info/business.html) to view a guide to DoD contracting opportunities.
- Via the DoD web site, apply for a DUNS number, which is required by all government suppliers.
- After the application is submitted and accepted, you will begin to receive bid notices. Most bids are for long shelf life items.
- You may also wish to contact the local bases or institutions in your area about purchasing fresh salad items.
- Make a complete list of available produce, including prices and harvest dates.



### Benefits:

- Selling to the government presents an opportunity to move a large amount of produce.
- Uniformity in pricing helps regulate the farm's cash flow.
- Farms that fully complete applications will receive bid notices on all types of products.
- Consistent delivery days and times will be set at the beginning of the contract, whether weekly, bi-weekly or monthly.
- Some shelf stable items can be delivered to close distribution points rather than each institution or base.

### Challenges:

- Items may have to be minimally processed to be accepted.
- Unless farms have an in-house processing facility, product will have to be taken to a processing plant prior to distribution.
- Government contracts are set for one year, not just the growing season.
- The farmer will have to have an alternative plan in case of crop failure, bad weather and off-season fulfillment of a government contract.
- Payment schedules may be slow.
- The government pays the least amount for the best quality.
- Failure to make delivery times, less than stellar quality, and smaller yields can result in premature contract termination.

# The Northwest Ohio Cooperative Kitchen (NOCK) and the Agricultural Incubator Foundation (AIF)

**Y**ou may have an idea or a popular family recipe that has the potential of becoming a profitable business.

The Northwest Ohio Cooperative Kitchen (NOCK) is a non-profit commercial facility that has grown out of a collaborative effort among several organizations, including the Agricultural Incubator Foundation (AIF) and the Center for Innovative Food Technology (CIFT), that are interested in helping budding food-related businesses to prosper in northwest Ohio.

## The Process:

- Put together a plan of action for turning your idea into a fledgling business. Business plan templates and samples are available on the Internet. Local business resources, like the AIF, also maintain resource libraries and host seminars that help entrepreneurs develop solid business plans.
- Obtain general and product liability insurance from your personal carrier.
- Call the AIF Manager at 419/823-3099 to set an initial appointment.
- Take your plan and product samples with you to the meeting. The manager will listen to your idea and review your business plan.
- Arrange a tour of the facility, including storage and bottling areas.
- Attend informational seminars on important aspects of manufacturing and selling your product.
- You will have the space and resources to develop recipes, keep raw products and create product labels.

- Source and purchase product containers.
- Schedule production time.
- Gather processing help, raw product and containers.
- Visit [www.ohioproud.org](http://www.ohioproud.org) for additional help with promoting your food product.

## Benefits:

- NOCK is a certified commercial kitchen that employs experienced staff and offers helpful informational seminars.
- It provides a valuable business assistance resource to entrepreneurs.
- The kitchen provides access to fellow entrepreneurs, allowing you to share product and marketing ideas and challenges.

## Challenges:

- Business plans can require a lot of detail.
- Insurance may be cost prohibitive.
- Working to get the recipe correct can take time.
- Making a good product is hard enough; Marketing the product can be harder yet.
- Learn how and where your product fits into the market.
- Price the product by what the market will bear.
- Set short-term goals for your business and understand that starting a successful business is a slow process.

## References:

Take a virtual tour of NOCK by visiting [www.agincubator.org](http://www.agincubator.org)

The farming process has changed very little over the years. But, to stay profitable, farms must operate more like a business. Find and take advantage of unique places to market and sell your produce, and always keep the bottom line in view.

Additional web-based resources:

[www.ohioproud.org](http://www.ohioproud.org)

[www.ovpa.org](http://www.ovpa.org)

[www.ohiovegetables.org](http://www.ohiovegetables.org)

[www.ofbf.org](http://www.ofbf.org)

[www.ohioagriculture.gov](http://www.ohioagriculture.gov)

[www.americanculinaryconcepts.com](http://www.americanculinaryconcepts.com)

[www.ohioline.osu.edu](http://www.ohioline.osu.edu)

[www.flavorohio.com](http://www.flavorohio.com)

[www.colorfulplate.com](http://www.colorfulplate.com)

[www.ohioinfo.com](http://www.ohioinfo.com)

[www.ifoh.org](http://www.ifoh.org)

[www.oeffa.org](http://www.oeffa.org)

[www.farmtochef.org](http://www.farmtochef.org)

[www.cift.eisc.org](http://www.cift.eisc.org)

*CIFT is a program of EISC, Inc.*



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